

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Elaine S. MASON	Confirmation No.: 3006
Application No.: 09/805,632	Examiner: Jocelyn Greimel
Filed: March 14, 2001	Group Art Unit: 3693
Attorney Docket No.: COS99039	

For: EARLY-PAYMENT DISCOUNT FOR E-BILLING SYSTEM

Commissioner for Patents
Alexandria, VA 22313-1450

PRE-APPEAL BRIEF REQUEST FOR REVIEW

Applicant respectfully requests a pre-appeal brief review be made of the present application for at least the following clear errors.

I. SUMMARY

The claimed invention provides an enhanced feature for a web-based billing system tool for enabling e-commerce customers to pay their invoices on-line. In particular, an early payment discount mechanism is provided offering an incentive for early payment of invoice current charges. Customers are automatically enabled to receive an early payment discount for paying an invoice electronically within a designated number of days from receipt of the invoice. The discount is based on the current invoice charges and a percentage discount is automatically calculated depending on the date that the electronic payment is made. Multiple discount percentages and periods may be offered with the percentage of discount varying by the date payment is made.

II. ISSUES

A. Whether claims 1-3, 5-10, 12-17, 19-24, 26-31, 33-38, and 40-42 are obvious under 35 U.S.C. § 103 based on *Kitchen et al.* (US 6,289,322) in view of *Smith et al.* (PC Computing article, 1992)?

Even assuming, *arguendo*, that *Kitchen et al.* disclosed an invoice having “an invoice **due date**” as asserted by the Examiner, and even assuming, *arguendo*, that *Kitchen et al.* “inherently” disclosed an invoice having “an invoice due date” as alleged by the Examiner, (which it does not because “inherency” cannot be based on speculation), taking this in combination with the very general disclosure of *Smith et al.* of early payment discounts, the instant claimed subject matter would still not have been obvious, within the meaning of 35 U.S.C. § 103.

Each and every claim not only recites an “invoice due date,” but each and every claim then specifically **employs this invoice due date to calculate and arrive at a discounted amount in accordance with this invoice due date, with a specifically claimed relationship between the invoice due date and the discounted amount.** For example, independent claim 1 recites, *inter alia*, “retrieving customer invoice information that includes an invoice **due date** and an invoice amount” and “selectively receiving a payment input that authorizes a payment according to the calculated discount amount in advance of the invoice **due date**.” This claimed **relationship between invoice due date and a discounted amount**, i.e., that the “calculated discount amount” is applied if payment is authorized in advance of the “invoice **due date**,” with the “calculated discount amount” being based on the “invoice amount,” is neither disclosed nor suggested by either one of *Kitchen et al.* or *Smith et al.* or the combination thereof.

The Examiner relies on *KSR* for a finding of obviousness for subject matter that, in hindsight, seems simple, notwithstanding the lack of evidence to present a *prima facie* case of obviousness. While *KSR* may have limited a strict application of the teaching-suggestion-motivation (TSM) test for obviousness, the Supreme Court did not do away with the requirement of evidence to support a conclusion of obviousness. In fact, under the rationale of *KSR*, some “articulated reasoning with some rational underpinnings” is required for a conclusion of obviousness (see MPEP §2141: “Once the findings of fact are articulated, Office personnel must provide an explanation to support an obviousness rejection under 35 U.S.C. 103”). Since the claimed relationship between an invoice due date and a discounted amount is neither disclosed nor suggested by either one of *Kitchen et al.* or *Smith et al.* or the combination thereof, and the Examiner has not articulated any reasoning, with some rational underpinning, for finding the claimed subject matter obvious in spite of this deficiency by the applied references, **no *prima facie* case of obviousness has been established.**

To state, as the Examiner does, that one “would have been motivated to improve cash flow and build good will among customers” (Final Action-page 5), is to state the obvious. But the fact that all business would like to “increase cash flow and build good will among customers” does not explain, in any rationale manner, what would have led the skilled artisan to modify *Kitchen et al.* in the specific manner claimed to employ an invoice **due date** (which *Kitchen et al.* does not even teach or suggest) to calculate an early discount amount. The general teaching by *Smith et al.* regarding “giving discounts for early payments” does not, *per se*, suggest to artisans any specific modification to the system of *Kitchen et al.* in order to provide such discounts by specifically calculating those discounts in accordance with an invoice **due date**.

While it may appear a simple matter, in hindsight, viewing Applicant's disclosure as a guide, to use an invoice due date to actually calculate a discounted amount and to selectively receive a payment input that authorizes a payment according to the calculated discount amount in advance of that invoice due date, this is not the test for obviousness, within the meaning of 35 U.S.C. § 103.

Such reasoning applies *a fortiori* with regard to claims 2, 3, 9, 10, 16, 17, 24, 30, 31, 36, 37, and 40, for example, where a “**pre-defined time period**” is used to determine the validity time of a discount amount.

B. Whether claims 4, 11, 18, 25, 32, and 39 are obvious under 35 U.S.C. § 103 based on *Kitchen et al.* (US 6,289,322) and *Smith et al.* (PC Computing article, 1992) in view of *Business Owner* (1995 article)?

Since *Kitchen et al.* and *Smith et al.* fail to teach certain claim features, for the reasons given above, and *Business Owner*, used for an alleged teaching of a discount amount based upon a percentage of the invoice amount, fails to provide for these deficiencies, no *prima facie* case of obviousness has been established by the Examiner.

Further, as to claims 4, 11, 18, 25, 32, and 39, “wherein the **discount amount is based on a percentage of the invoice amount**” and “calculating another discount amount based upon another percentage of the invoice amount, the another discount amount being associated with another expiration date; and automatically applying either of the discount amounts based upon time of receipt of the payment input,” none of these features is suggested by the applied

references, or by any combination thereof, and it is clearly impermissible hindsight for the Examiner to conclude that they are.

The Examiner relies on page 17 of *Business Owner* for these features, but this relates to examples of different discounts; there is no disclosure therein of “a discount amount” **and** “another discount amount,” as required by the claims. Examples of using either a 1% or 2% early payment discount is clearly no disclosure of calculating two different discount amounts, based upon different percentages of the invoice amount, wherein the different discount amounts are **associated with different expiration dates**, and then, “**automatically applying either of the discount amounts based upon time of receipt of the payment input,**” as claimed.

Accordingly, since none of the applied references suggests the features of claims 4, 11, 18, 25, 32, and 39, i.e., the use of two different discount amounts, these claims are separately patentable from the claims upon which they depend.

III. CONCLUSION

For the foregoing reasons, the Panel is respectfully requested to withdraw the rejection of the present application in light of these clear errors and allow the pending claims.

Respectfully Submitted,

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Date

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